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4. Strengthening the economic independence and the defense potential of the USSR.

5. Establishment of international economic relations and a system of mutual economic aid among the socialist countries.

Planning of the socialist distribution of productive forces can be divided into two stages.

The first stage consists of economic regionalization, which does not mean merely a division of the country into basic economic regions, but a planned distribution of production throughout all the regions of the country.

The second stage consists of the actual distribution of the productive forces and the technical and economic justification for the selection of a certain area for the establishment of an industry within that economic region. In this connection, the first stage of the problem involves a thorough analysis of such factors as defense and other state interests, and the general welfare of the selected area. This problem is solved by means of comparing the conditions of the basic economic regions. As a result, the planners in the second stage can concentrate their efforts on finding the most expedient areas for the allocation of enterprises within an economic region.

In the over-all national economic plan, an economic region will be assigned a project according to the anticipated volume of production, the total number of enterprises necessary to the fulfillment of this production volume, and according to the date on the proposed production of each of the newly created enterprises. On the basis of these factors, ministries can suggest to the central government specific area for the establishment of enterprises. Vasuytin also stressed the necessity of establishing a uniform system of powerful regional planning organizations that will supervise industrial and transport construction on a national scale. This will assure an efficient and a scientific selection of locating new industrial enterprises, and, at the same time, will help conserve the means of production.

In accordance with the plans for the great technical development of the country, all the economists and the geographers in the USSR will have to combine and coordinate their effort to aid the complex development of the basic economic regions. The Academy of Sciences of each of the republics, and every branch of the Academy of Sciences USSR, can play a significant part in this project.

P. N. Pershin, in his report, described the work of the expedition organized by the Academy of Sciences Ukrainian SSR in 1950 into the arid southern steppes of the Ukraine. The purpose of this expedition was to establish the economic potential of this area in connection with Stalin's plan of transforming nature, and to study the means of further unification of the rural economy of this region as part of the three-year plan for the development of livestock raising. The expedition also helped in the organization of the land, water, and forestation development of the kolkhozes. In addition, five-year plans for the development of 15 consolidated kolkhozes in the region were also worked out.

K. N. Bedrintsev pointed out the importance of the Fergana Valley to the whole country. In working out the plans for its development, the main problem at this time is to determine the specialization which is to be assigned to this region. All the institutes of the Academy of Sciences Uzbek SSR are presently studying this question in coordination with the Institute of Economics of the Academy of Sciences USSR.

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The primary significance of the Fergana Valley consists of it being a cotton-producing region. In the coming years, there is a possibility of increasing the output of cotton both from the standpoint of increasing cultivation as well as yield.

Cotton is raised in the Fergana Valley in conjunction with sericulture and fruit growing. Other branches of the economy have only an intra-regional significance; however, even these branches have to be developed further to meet the needs of the population. Bedrintsev stressed the necessity for the rapid development of industries processing agricultural products, as well as of the light industry, the construction materials industry, and the efficient utilization of hydroelectric power resources of the area. The favorable, natural location of the valley, with its well-developed irrigation system and its rich mountain zone, is well suited to the development of light industry as well as of a prosperous livestock and agricultural economy.

The following participated in the ensuing discussion of the reports of Vasyutin, Pershin, and Bedrintsev: G. M. Alekseyev, Academy of Sciences Kazakh SSR; V. G. Venzher, Institute of Economics, Academy of Sciences USSR; Ya. K. Shakhov, Institute of Economics, Academy of Sciences USSR; P. S. Livshits, Institute of Economics, Academy of Sciences USSR; P. Kh. Zvedenyuk, Academy of Sciences Ukrainian SSR; A. M. Korneyev, Institute of Economics, Academy of Sciences USSR; B. M. Sokolov, Komi Affiliate, Academy of Sciences USSR; N. A. Kovalevskiy, Institute of Economics, Academy of Sciences Latvian SSR; N. A. Rudenko, East Siberian Affiliate, Academy of Sciences USSR; L. V. Opatskiy, Institute of Economics, Academy of Sciences USSR; and I. M. Kachuro, Institute of Economics, Academy of Sciences Belorussian SSR.

G. M. Alekseyev talked about the work of the Academy of Sciences Kazakh SSR in 1950 in connection with the further development of the productive capacity of western Kazakhstan. One of the results of this work was the solution of one of the most important problems of the republic, the substitution of local fuel for imported fuel, resulting in an annual saving of about 200 million rubles.

The necessity of harnessing the waters of the Irtysh River for irrigation and industrial purposes was determined by another expedition organized by the academy. During 1951, the academy will also participate in scientific research connected with the construction of the Stalingrad hydrotechnical installations.

Alekseyev supported Vasyutin in recommending the creation of regional-planning organizations and pointed out the necessity of replacing the specialized geological studies by complex studies. He also noted that the Institute of Economics, Academy of Sciences USSR, does not pay sufficient attention to the distribution of production in Kazakhstan. The institution does not help the Economic Section of the Academy of Sciences Kazakh SSR in solving complicated economic problems, in particular, the problem of coordinating the development of individual industrial branches of the Kazakh SSR with the all-Union plan.

P. Kh. Zvedenyuk described the work of the Academy of Sciences Ukrainian SSR concerning the allocation of productive forces of the republic. The institute also prepared a textbook on the economic geography of the Ukrainian SSR which gives an up-to-date account of the basic economic regions of the country and their economic interdependence. The main work of the institute centered on the Kakhovka hydroelectric power construction project and the distribution of new branches of industry and agriculture in southern Ukraine. Zvedenyuk also described the successful cotton-growing program in the Ukraine and stressed the need for centralized training of personnel of different specialties and skills. Special attention was drawn to the desirability of unifying the discussion of economic regionalization programs, as various educational institutions tend to give a different interpretation to this question.

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N. A. Kovalevskiy reported on the work done by the Institute of Economics Academy of Sciences Latvian SSR, in connection with the Western Dvina Rapids. The Institutes of Economics of the Ukrainian, Belorussian, and Lithuanian Republics also participated in this project.

The economics section of the East Siberian Affiliate, Academy of Sciences USSR, as reported by N. A. Rudenko, devoted most of its attention to mechanization of labor in agriculture. The primary problem, at this time, is the replacement of the imported liquid fuel by a local solid fuel in agricultural mechanization. Some progress along these lines is reported by local organizations.

I. M. Kachuro described the experiences of the Institute of Economics, Academy of Sciences Belorussian SSR, in his report "The Economic Basis of the Grassland System of Agriculture on the Basis of Experiences of one Region." The institute was able to assist in the consolidation of kolkhozes, in land development, in determining the specialization of the region, and in drawing up ten-year plans and setting the rate of development for the region.

A. M. Korneyev revealed the plans for the proposed Aral-Caspian expedition of the Academy of Sciences USSR in which the academies of the Uzbek, Kazakh, and Turkmen Republics will take part. The work of the expedition will deal primarily with developing cotton growing in the above regions based on the water resources of the Amur-Dar'ya and Syr Dar'ya rivers. Further development of the economy of the Fergana Valley is also being planned, particularly in connection with cotton growing.

B. M. Sokolov stressed the importance of concentrating on the most important and urgent projects which affect the whole national economy to prevent scattering of resources over too many projects and avoid an excessively high proportion of incomplete construction. The most important aspects of the economic development of the North were also discussed.

Ya. K. Shakhov pointed out that the necessary economic coordination has yet to be achieved. More attention should be devoted to planning distribution of production.

During the second session of the conference on coordination, the following reports were heard:

"The Fixed Assets of Belorussian SSR's (BSSR) Industry and Means of Improving Their Utilization," by E. I. Sinitskiy, Institute of Economics, Academy of Sciences Belorussian SSR.

"The Economics of the Socialized Industrial Enterprise on the Way Toward Communism," by Professor P. A. Khromov, Institute of Economics, Academy of Sciences USSR.

"The Economy of the Agricultural Artel in the Period of Transition From Socialism to Communism" by Candidate of Economic Sciences A. A. Karavayev, Institute of Economics, Academy of Sciences USSR.

E. I. Sinitskiy pointed out that his thesis was written on the basis of data from 30 enterprises of five industrial branches: metalworking, peat, woodworking, textile, and construction materials, as well from material gathered from ministries and trusts. All industrial aspects, such as the types of machine construction, type and age of equipment, methods of production, etc., were considered. The speaker introduced material typifying the degree of utilization of the fixed assets of Belorussian industries, and showed the role played by the Stakhanovite movement in improving production indexes. The report showed that, although the industries of Belorussia are

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endowed with the newest technology, and although her fixed assets have exceeded the prewar level, indexes of utilization of the productive capacity of the Belorussian SSR, in many instances, are lower than those of the other republics.

In the speaker's opinion, elimination of seasonal fluctuations in the industries would result in better utilization of the fixed assets of the republic. For example, if all the flax-processing plants could be put on a 12-month basis, the output with the existing equipment could increase by 20 percent. Similar results can be achieved in the construction materials industry. In certain industries (as in the metalworking industries for example, where the average number of shifts does not exceed 1.5), fixed assets could be better utilized if the number of shifts were increased. In the industries processing local raw materials (primary processing of flax, woodworking, starch processing), the productive capacity is not utilized to the limit because of shortcomings in the productive capacities of the individual workshops and sections or in the organization of the labor force.

The following took part in the general discussion which followed: Candidate of Economic Sciences A. Z. Ural'skiy, Institute of Economics, Academy of Sciences USSR; Candidate of Economic Sciences M. V. Dmitriyev, Institute of Economics, Academy of Sciences USSR; A. Ya. Zaplavnyy, Economics Section, Academy of Sciences Kazakh SSR; Candidate of Economic Sciences G. G. Kotov, Institute of Economics, Academy of Sciences USSR; Candidate of Economic Sciences A. A. Radchenko, Institute of Economics, Academy of Sciences Ukrainian SSR; Candidate of Economic Sciences A. A. Arakelyan, Institute of Economics, Academy of Sciences USSR; Candidate of Economic Sciences K. N. Bedrintsev, Institute of Economics, Academy of Sciences Uzbek SSR; A. I. Kozlov, Karelo-Finnish Affiliate, Academy of Sciences USSR.

Also, N. M. Kokosov, scientific associate, Ural Affiliate Academy of Sciences USSR; Candidate of Economic Sciences N. S. Maslova, Institute of Economics, Academy of Sciences USSR; Candidate of Economic Sciences Ya. M. Sholomiy, Academy of Sciences Ukrainian SSR; Candidate of Economic Sciences N. A. Rudenko, East Siberian Affiliate, Academy of Sciences USSR; Candidate of Economic Sciences S. A. Tsegoyev, Institute of Economics, Academy of Sciences USSR; Doctor of Economic Sciences N. A. Kovalevskiy, Institute of Economics, Academy of Sciences Latvian SSR; G. Chulanov, Academy of Sciences Kazakh SSR; Candidate of Economic Sciences A. I. Ganin, Institute of Economics, Academy of Sciences USSR; Candidate of Economic Sciences A. P. Teryayeva, Institute of Economics, Academy of Sciences, USSR; and Candidate of Economic Sciences V. G. Venzher, Institute of Economics, Academy of Sciences, USSR.

A. Ya. Zaplavnyy presented a report based on the actual experience of the Economics Section, Academy of Sciences Kazakh SSR, in connection with the study and generalization on the work of the foremost enterprises. Experience shows that limitations in the utilization of the assets of the republic are due to: (1) irregularity of taking into operation new productive forces; (2) irregular and unrhythmical work performance; and (3) irregularity of supply of raw and semiprocessed material to various sectors of the enterprise. Calculations have shown that it is possible to increase output by 20 to 30 percent by merely eliminating these shortcomings.

N. M. Kokosov told of the work of the Ural Affiliate, Academy of Sciences USSR, in connection with the specialization and coordination of machine-building enterprises in the Urals. As of 1957, this affiliate will work on a problem of closer economic ties between socialized enterprises of the Urals. The cooperation of the Institute of Economics, Academy of Sciences USSR, will be required to bring this work to a successful conclusion.

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G. Chulanov described the work done by the Economics Section, Academy of Sciences Kazakh SSR. Special attention was devoted to the economics of industry. In 1950, the academy undertook six research projects dealing principally with the development of different branches of industry and the acceleration of the turnover of working capital in the light-industry enterprises of the republic. Three of these were completed and recommendations were made to the proper organizations. Seven more projects were planned for 1951, three of them dealing with the complex problem. In 1950, there was also a scientific conference on the utilization of fixed assets, and there will be another conference in 1951 connected with the acceleration of working capital turnover.

A. Z. Ural'skiy and A. I. Ganin criticized the method of the present-day study of agricultural problems. It was pointed out that the latest basic changes in kolkhoz organization are not sufficiently brought out. The Academy of Sciences USSR was criticized for not employing trained agricultural workers in its scientific expeditions to agricultural areas.

Dealing further with the subject, G. G. Komov pointed out that two obsolete methods are still used to work out complex agricultural problems. One is the disconnected study of interrelated questions; the other is compilation of data on individual kolkhozes without drawing any inferences for the economy as a whole, and without describing the means by which successes were achieved. It is not sufficient to group kolkhozes according to their gross output and fixed assets, and then to make general use of indexes derived from such a grouping.

V. G. Venzher then stressed the need for the division of effort among the various scientific research organizations. Recommendations for grouping and other zoning problems and the organization of the complex research project, including problems of land development, soil conditions, etc., must be carried out by republic institutions. The Institute of Economics, Academy of Sciences USSR, cannot be concerned with such problems; its work will consist of giving a general scientific account of existing processes on the basis of facts collected by its own expeditions and in cooperation with other institutes.

N. A. Kovalevskiy described the method of consolidating small kolkhozes in the Latvian SSR. This work is now directed by central party organizations who take into consideration the regional crop differences. General indexes of the maximum size of kolkhozes have been established. A commission for the coordination of activity in which different institutions are to participate has been set up at the academy. At present, top priority will be given to the organization of complex expeditions which will develop future five-year plans for agriculture.

Professor V. P. D'yachenko, Doctor of Economic Sciences and deputy director of the Institute of Economics of the Academy of Sciences USSR, summarized the proceedings of the conference. He noted that the study of economics of the industrial enterprise, economics of agriculture, and regional economics shows two very significant and closely related trends: (1) finding methods of raising lagging enterprises and regions to the level of the foremost ones to increase production on the basis of the more effective utilization of resources and productive capacity; and (2) exploration of means for the further development of the foremost enterprises and regions.

At the same time there were several serious shortcomings in the work of the academies:

1. The work of scientists and economists is still divorced from reality and is far from meeting the needs of the national economy. This is especially true of the work of the Institute of Economics, Academy of Sciences USSR. Its reports were too general and too theoretical. Not enough emphasis was placed on introducing scientific methods into research practice.

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2. Several of the reports were not on a sufficiently high economic level, rather, they were more of a technical and geographical nature and did not throw any light on the effect of economic levers on the national economy. The reports did not indicate when and how these economic levers can be applied to utilize the existing resources and to maximize the productive capacity of the country.

3. The conference revealed poor organization of scientific work in connection with economic questions. The work of sections and research collaborators is separated, and every problem is broken up into different topics and assignments, and there is no communication between the collaborators on the progress of their work. As a whole, the problem is left without solution and the work on the individual parts of it is either too broad or too narrow. There is no real coordination of effort and not enough effort is devoted to intricate scientific investigations.

In the resolution that followed, the members agreed to report further on the progress of economic regionalization of various republics, as well as on the results of scientific research work concerning the economic problems of industry and agriculture. Representatives of SOPS (Council of Studying Productive Forces), of the Institute of Geography, Academy of Sciences USSR, of Gosplan USSR, of branches of scientific and research institutes, and of the faculty of the economics divisions of higher educational institutions of Moscow will be urged to attend the next meeting.

The members also commended the Institute of Economics, Academy of Sciences Ukrainian SSR, for their complex study of economic problems of kolkhozes. It was suggested that the institute call a special interrepublic conference on planning the future consolidation of kolkhozes. At the same time, closer contact was urged between various scientific research organizations working on the Aral-Caspian project.

The Institute of Economics, Academy of Sciences USSR, was directed to organize important periodic research projects in local scientific and economic institutions, and to appoint qualified people to take field trips for consultation conferences at scientific sessions of other republics. Particular attention will be devoted to the training of economists through graduate and doctorate study in the various republic academies and affiliates.

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